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SUBJECT: STAFFDEL LUSE ENGAGES PM'S OFFICE, MFA ON
BILATERAL TIES, REFUGEES, AND REGIONAL STABILITY

Summary

1. (SBU) Senate Foreign Relations Committee Professional Staffer Mr. Keith Luse met with GOM officials at the Prime Minister's Office, the Foreign Ministry's Southeast Asia Office, and at the Southeast Asia Regional Center for Counter Terrorism (SEARCCT) August 27-29. Luse raised concerns about reports of trafficking of Burmese refugees in Malaysia to Thailand at both the PM's Office and MFA. The Prime Minister's communications chief described a long-term approach to combating corruption against the backdrop of short-term political uncertainty and an emerging two-party system. The Foreign Ministry explored Malaysia's role in assisting Thailand and the Philippines address their respective insurgencies, noting in particular the GOM's continued commitment to the troubled Mindanao peace process. The SEARCCT Director General acknowledged the Center had not made much progress in developing its regional role over its five years of existence, but noted the GOM recently had focused more thought on the organization's future. Septel focuses on Mr. Luse's meetings on the issue of Burmese refugees and trafficking. End Summary.

PM's Office

2. (SBU) Datuk Kamal Khalid, the head of the Prime Minister's Office's Communications Unit, in a wide-ranging conversation, told Luse August 27 the relationship between Malaysia and the U.S. was characterized by pragmatism and stability, noting particularly fruitful cooperation in the area of security. He alluded in passing to Malaysia's seeking some support for IMPACT - the PM's recently launched International Multilateral Partnership Against Cyber-Terrorism. Kamal noted that the PM was aware that Malaysia's embassy in Washington for too long has not been properly staffed, adding that the PM has asked that the MFA speed up the process of appointing a new ambassador. Both men concurred that the relationship between the two countries would benefit from increasing exchanges. Kamal echoed frequently heard nostalgia for the Peace Corps.

3. (SBU) Turning to the condition of Burmese refugees in Indiana and the possibility of Senate hearings on this subject later in the year, Luse outlined allegations that corrupt Malaysian immigration officials extorted money from Burmese in Malaysia before turning them over to traffickers in Thailand (septel reports further on Luse's meeting on this issue). Luse noted with appreciation the GOM's efforts to introduce immigration reforms. While Kamal did not directly address the Burmese refugee trafficking issue, he said the PM's reform agenda had more teeth since the decision was made to give the Anti-Corruption Authority a free hand and for the first time to assign two career professions, rather than to political appointees, to lead the organization. In addition

to having recently pursued corruption charges against the head of the Immigration Department, the Authority has pushed for reforms among State Counselors as well as with the Fisheries and Commercial Vehicles Departments. Lastly, Kamal mentioned judicial reform measures designed to formalize and make more transparent the process of appointing judges.

14. (SBU) Reflecting on the wider political situation in Malaysia, Kamal said the PM's anti-corruption efforts were part of his long-term approach. "The emergence of a two party system is good for Malaysia," he said. "Twenty years ago this would not have passed peacefully. The PM has not resorted to tactics to prevent change," Kamal said, "despite short-term uncertainty, the PM is resolute in not resorting to violence." "Some lack patience in the face of the need to work through long-term issues," he added, "at the end of the day, the people must choose."

MFA Southeast Asia Office

15. (SBU) Mr. Luse accompanied the DCM on an introductory courtesy call on MFA Under Secretary for Southeast Asia Dato' Ramlan Ibrahim on August 29. Ramlan spoke in broad terms about regional instability. While careful to identify Southern Thai violence as a domestic Thai problem, he juxtaposed the work of the Malaysia-Thailand Joint Commission, which is expanding near-term confidence building measures, with what he felt has been an overly militaristic and heavy-handed approach on the part of Thai authorities.

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While Malaysia and Thailand are working together on a long-term "Three Es" strategy focused on expanding employment, entrepreneurship and education, Ramlan said Thailand was not doing enough to match development efforts. He cited as an example roads built on the Malaysian side of the border, which connect to bridges linking the two countries, but which abruptly end because none of the road work had been done on the Thai side.

16. (SBU) Ramlan expressed regret at the Philippines' Supreme Court decision to obstruct the recent peace accord, but added Malaysia remains committed to being part of the international monitoring team in Mindanao. He urged the USG to "nudge" the Philippines toward comprehensive disarmament, adding that accepting ancestral domain is the key to advancing the peace process.

17. (SBU) Luse mentioned that he was preparing a report to the Senate Foreign Relations Committee on refugee cases and that he would be providing detailed information to Malaysian Immigration Enforcement officials with whom he had met. Without addressing refugee concerns, Ramlan said there are millions of illegal immigrants in Malaysia. The GOM, he said, is stepping up its efforts with the Philippines to properly identify immigrants. Luse acknowledged that Malaysia was a transit point for immigration to the U.S., that there was a pull factor at work, and added that the U.S. sought to encourage legal immigration with proper documentation. Ramlan sought to assure that, in the meantime, deportations are being conducted humanely. Ramlan added that Malaysia had nothing to gain from instability in Indonesia, noting that, from his vantage, a worst case would be to have a massive influx of immigrants from Indonesia. He alluded to economic policies - such as encouraging Malaysia investors to start palm oil plantations in Aceh - designed to minimize such a risk.

SEARCCT

18. (SBU) Mr. Luse met with Ambassador Dato' Md. Hussin Nayan, Director General of the Southeast Asia Center for Regional Counter Terrorism on August 29. Hussin, who is

widely expected to be transferred to his next posting in the coming months, gave an overview of SEARCCT's strengths and weaknesses. At its inception in 2003, Hussin acknowledged, not much thought was given to the strategic direction of SEARCCT. The focus, by default, has been to provide CT-related capacity-building for GOM front-line officers. This group - comprised mainly of Police Special Branch, military intelligence, hazardous materials and crisis response personnel - numbers around 100, according to Hussin. Five years in, SEARCCT has succeeded, he suggested, in bringing the GOM's front-line officers up to international standards.

¶9. (SBU) When asked by Luse about the level of the Center's engagement with other countries in the region, Hussin admitted that SEARCCT has not made much headway in developing its regional role, citing differences in understanding of the nature of the CT problem in each country. Luse asked Hussin if he were familiar with the work and reports of the International Crisis Group. Hussin said that while he thought ICG's analyses were sound, its recommendations were, in his view, overly driven "by international ideology and not sufficiently concerned with local issues." He acknowledged, however, that for its own part, SEARCCT had not done much to raise public awareness or to advance research in the field - two other elements of its mission statement. On a more positive note, there appears to be growing awareness within the GOM of SEARCCT's shortcomings. Hussin mentioned that he recently attended a four-hour brain-storming session on the future of the organization. He also pointed to some recent SEARCCT firsts: a public program featuring former French Inspector General of Police Jean-Francois Clair; preliminary research on aviation security; and a pilot project at one local university to determine youth attitudes about terrorism.

¶10. (U) Mr. Luse has approved this message.

KEITH